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Westly Says Revenues Up \$2.6 Billion Over Last Year

SACRAMENTO – State Controller Steve Westly announced today that state revenues for the first four months of the fiscal year are up 11.9 percent over the same period last year, a more than \$2.6 billion increase. But he cautioned that most of the revenues are one-time dollars that would only factor in to this year's budget and would not address the ongoing deficits California will face in the years to come.

"This recent growth is good news, but one-time dollars won't make up for our massive structural deficit," Westly said. "The Governor has to get serious about collecting the \$6.5 billion the state is owed but doesn't receive each year."

Westly has spearheaded two initiatives that have collected \$3.5 billion for roads, schools and parks without raising a nickel in taxes. Governor Schwarzenegger vetoed four bills this year that would have cracked down on tax cheats and collected millions of dollars.

According to the State Controller's monthly General Fund Cash Basis Revenue Report, July through October revenues increased compared to the same four-month period in the last fiscal year. Personal income taxes were up 10 percent. Retail sales and use taxes for the year were up 10.7 percent. Corporation taxes were 12.2 percent higher.

Personal income taxes yielded \$12.9 billion, \$1.2 billion above the same period last fiscal year. Retail sales and use taxes generated \$7.4 billion, \$712.8 million above last year. Corporation taxes came in at \$2.9 billion, \$316.5 million above last year.

Actual revenues to date for the current fiscal year are \$1.4 billion higher than the current budget estimate, an increase of 6.2 percent.

Excerpt of report follows.

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General Fund Cash Basis Revenues for the Month of October 2005 *

Comparison of Actual Amounts to 2005-06 Budget Act Estimate

In thousands

	Month of October		Actual Over or (Under) Estimate	
	Actual	Budget Act Estimate	Amount	%
Alcoholic Beverage Excise Tax	16,812	27,000	(10,188)	(37.7)
Corporation Tax	328,993	356,000	(27,007)	(7.6)
Cigarette Tax	14,655	10,000	4,655	46.6
Estate, Inheritance, and Gift Tax	11,199	-	11,199	-
Insurance Companies Tax	15,528	42,000	(26,472)	(63.0)
Personal Income Tax	2,805,332	2,620,000	185,332	7.1
Retail Sales and Use Taxes	901,333	1,012,000	(110,667)	(10.9)
Pooled Money Investment Interest	34,261	21,000	13,261	63.1
Not Otherwise Classified	167,859	12,000	155,859	1,298.8
Total Revenues	<u>4,295,972</u>	<u>4,100,000</u>	<u>195,972</u>	4.8

General Fund Cash Basis Revenues for the Fiscal Year through October 2005 *

Comparison of Actual Amounts to 2005-06 Budget Act Estimate

In thousands

	July 1 through October 31		Actual Over or (Under) Estimate	
	Actual	Budget Act Estimate	Amount	%
Alcoholic Beverage Excise Tax	101,672	110,000	(8,328)	(7.6)
Corporation Tax	2,905,267	2,504,000	401,267	16.0
Cigarette Tax	42,555	40,000	2,555	6.4
Estate, Inheritance, and Gift Tax	99,748	69,000	30,748	44.6
Insurance Companies Tax	573,442	537,000	36,442	6.8
Personal Income Tax	12,857,289	11,965,000	892,289	7.5
Retail Sales and Use Taxes	7,387,573	7,320,000	67,573	0.9
Pooled Money Investment Interest	126,892	85,000	41,892	49.3
Not Otherwise Classified	866,569	882,000	(15,431)	(1.7)
Total Revenues	<u>24,961,007</u>	<u>23,512,000</u>	<u>1,449,007</u>	6.2

* This information is based upon funded cash. Funded cash is cash reported to and recorded in the records of the State Controller's Office. Amounts reported as funded cash may differ from amounts in other reports to the extent there are timing differences in the recording of in-transit items.

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General Fund Cash Basis Revenues for the Month of October 2005 *

Comparison of October 2005 to October 2004

In thousands

	Month of October		Comparison	
	2005	2004	Amount	%
Alcoholic Beverage Excise Tax	16,812	26,320	(9,508)	(36.1)
Corporation Tax	328,993	366,069	(37,076)	(10.1)
Cigarette Tax	14,655	10,699	3,956	37.0
Estate, Inheritance, and Gift Tax	11,199	41,386	(30,187)	(72.9)
Insurance Companies Tax	15,528	21,210	(5,682)	(26.8)
Personal Income Tax	2,805,332	2,657,548	147,784	5.6
Retail Sales and Use Taxes	901,333	849,943	51,390	6.0
Pooled Money Investment Interest	34,261	7,186.0	27,075	376.8
Not Otherwise Classified	167,859	120,758	47,101	39.0
Total Revenues	<u>4,295,972</u>	<u>4,101,119</u>	<u>194,853</u>	<u>4.8</u>

General Fund Cash Basis Revenues for the Fiscal Year through October 2005 *

Comparison of Fiscal Year 2005-06 to 2004-05

In thousands

	July 1 through October 31		Comparison	
	2005	2004	Amount	%
Alcoholic Beverage Excise Tax	101,672	109,762	(8,090)	(7.4)
Corporation Tax	2,905,267	2,588,747	316,520	12.2
Cigarette Tax	42,555	42,117	438	1.0
Estate, Inheritance, and Gift Tax	99,748	216,270	(116,522)	(53.9)
Insurance Companies Tax	573,442	525,932	47,510	9.0
Personal Income Tax	12,857,289	11,689,882	1,167,407	10.0
Retail Sales and Use Taxes	7,387,573	6,674,729	712,844	10.7
Pooled Money Investment Interest	126,892	31,183	95,709	306.9
Not Otherwise Classified	866,569	419,112	447,457	106.8
Total Revenues	<u>24,961,007</u>	<u>22,297,734</u>	<u>2,663,273</u>	<u>11.9</u>

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